स्टेट बैंक के अनुषंगी बैंकों का अन्य बैंकों के साथ विलय किए जाने के बारे में कोई विशेष सिफारिश नहीं की है ।

Deposits in foreign banks operating in India

516. DR. YELAMANCHILI SIVAJI: Will the Minister of FINANCE be pleased to state the total value of the deposits at present in foreign banis operating in India?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): Reserve Bank of India have reported that aggregate deposits of foreign banks operating in India as on 31-3-1992 were Rs. 17112.80 crores.

New fiscal policy on tyre industry

517. DR. YELAMANCHILI SIVAJI: Will the Minister of FINANCE be pleased to state:

(a) whether Government are reviewing the fiscal policy as far as the tyre industry is concerned;

(b) if so, what steps are being taken to pass on the benefits to the transporters; and

(c) whether it is a fact that taxes alone account for 41 per cent of the selling price of a truck or bus tyre?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) There is no proposal before the Government at present under consideration for reviewing the fiscal policy for tyre industry.

(b) Does not arise in view of (a) above.

(c) The excise duty on the finished tyres accounts for about 23 per cent to 24 per cent of the maximum retail price prevailing during March, 1992. The final price of the tyre in also subjected to the levy of sales tax which is a state subject of taxation, depending upon the State on which the sale is effected.

New RBI guidelines for banks

518 CHOWDHRY HARI SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Reserve Bank of India has, recently, issued new guidelines for banks after the security scam surfaced to earth;

(b) if so, what are the details thereof; and

(c) whether any attempts have been made to find out whether the banks are following the R.B.I. guidelines properly?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) Based on the recommendations contained in the first interim report submitted by the Committee set up by the Reserve Bank of India to inquire into the securities transactions of banks and financial institutions RBI has issued new instructions to regulate transactions in securities by banks on the 20th June, 1992.

(b) A summery of the instructions/ guidelines is given below:

(i) All transactions in Government securities for which SGL facilities available should be put through SGL only.

(ii) Before issue of SGL transfer forms covering their sale transaction, banks should ensure that they have sufficient balance in their respective SGL Account.

(iii) The SGL transfer forms received by purchasing banks should be deposited in their SGL Account immediately.

(iv) The SGL transfer forms should be in the standard format prescribed by the Reserve Bank of India.

(v) No BR should be issued under any circumstances in respect of transactions in Government securities for which SGL facilities available.

(vi) No BR should be issued on the basis of BR (of another bank) held by the Bank and BRs may be

issued covering transactions relating to bank's own investment accounts only.

(vii) Banks should put in place a reporting system to report to the top management on a weekly basis the details of transactions in securities, details of bouncing of SGL forms issued by other banks and BRs outstanding for more than one month and review of investment transactions, undertaken during the period.

(viii) A disproportionate part of the business should not be transacted through one or few brokers.

(ix) Banks should undertake a half-yearly review of their investment portfolio and a copy of the review report put up to the bank's board should be forwarded to the RBI.

(x) Treasury transactions should be subjected to a concurrent audit by the internal auditors and the results of their audit should be placed before the Chairman & Managing Director of the bank once every month. The audit reports should be sent to a separate cell in RBI.

(c) Guidelines have been only recently issued.

Signing of fresh letter of intent with IMF

519. SHRI DIPEN GHOSH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a fresh letter of intent has since been signed by Government with the IMF; and

(b) if so, what are the new target to be achieved as per the new letter of intent?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) Yes, Sir.

(b) A fresh letter of intent which was sent to the IMF on June 2, 1992 was laid on the Table of the House on 10th July, 1992.

Follow up action on income tax raid on a Pharmaceutical Company

520. SHRI MENTAY PADMANABHAM: Will the Minister of FINANCE be pleased to refer to the answer to Unstarred Question 1938 given in the Rajya Sabha on 10th March, 1992 and state the details of follow up action taken against M/s Biological 'E' Ltd., Hyderabad, under the Income Tax Act?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): Subsequent to the searches conducted in M/s Biological 'E' Ltd. group of cases, necessary follow up actions have been taken under the Income Tax Act.

After a scrutiny of the seized materials, an appraisal report was prepared and handed over to the assessing officer alongwith the seized books and documents. The cases of the Managing Director of M/s Biological "E' Ltd., Dr. Vijay Kumar Datla, his relatives and associates, have been centralised with the Central Circle at Hyderabad. Steps have been initiated to transfer the case of M/s Biological 'E' Ltd., hitherto assessed at Bombay, also to Hyderabad.

Orders u/s 132(5) of the Income Tax Act, 1961 have been passed in the relevant cases and seized assets to the extent of Rs. 202..41 lakhs have been retained with the Department as unexplained. Valuation of some of the major immovable properties belonging to the Managing Director and members of his family has been completed by the Valuation Cell of the Income Tax Department. Investigations have revealed the existence of the some benami concerns of the Managing Director. Further investigations have been taken up in this regard.

A writ petition was filed by the Managing Director of the Company before the Andhra Pradesh High Court for release of the seized assets. This was opposed by the Income Tax Department and the High Court dismissd the writ petition.